

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 TRSE-00 IO-14 SPC-03

AID-20 NSC-07 RSC-01 CIEP-02 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 PA-04 PRS-01 ABF-01 H-03 IGA-02

FEA-02 INT-08 L-03 SCI-06 DRC-01 /195 W

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R 271657Z MAR 74

FM AMEMBASSY BERN

TO SECSTATE WASHDC 8846

INFO AMEMBASSY MANILA

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MANILA FOR USADB

E.O. 11652: N/A

TAGS: EFIN, ADB, SZ

SUBJECT: ADB ANNUAL MEETING

REF: (A) STATE 033631; (B) STATE 060348 (NOTAL)

1. SUMMARY. SWISS OFFICIALS SHARE US CONCERN RE IMPACT OF INCREASED OIL AND OTHER RAW MATERIAL PRICES ON LDGS (REF B) AND INTEND EMPHASIZE THIS SUBJECT AT APRIL 25-27 ADB ANNUAL BOARD OF GOVERNORS MEETING. SWISS DELEGATE JACOBI APPRECIATED STATUS REPORT ON US IDA IV AND ADB CONTRIBUTIONS AND LOOKS FORWARD TO DISCUSSING US CONGRESSIONAL SITUATION FURTHER WITH USDEL. END SUMMARY.

2. EMBOFFS MET MARCH 27 WITH AMBASSADOR KLAUS JACOBI AND OTHER SWISS DIVISIONS OF COMMERCE OFFICIALS TO DISCUSS ADB MEETING. WE GAVE JACOBI SUBSTANCE REFTEL B AND COPY OF HENNESSY MARCH 18 STATEMENT BEFORE FOREIGN LIMITED OFFICIAL USE

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OPERATIONS SUBCOMMITTEE. JACOBI EXPRESSED APPRECIATION

FOR US THINKING RE ADB ANNUAL MEETING AND PROVIDED FOLLOWING
SWISS COMMENTS RE MEETING.

3. SWISS DELEGATION WILL CONSIST OF JACOBI (ALTERNATE
SWISS ADB GOVERNOR) PLUS OFFICER FROM SWISS EMBASSY
JAKARTA. SWISS ADB GOVERNOR IS SWISS NATIONAL BANK
PRESIDENT STOPPER WHO RETIRING FROM SNB APRIL 30 AND
WILL CHAIR SNB ANNUAL MEETING APRIL 25. STOPPER WAS

ADB GOVERNOR PRIOR BECOMING SNB DIRECTOR WHEN HE SERVED
AS DIRECTOR, DIVISION OF COMMERCE. JACOBI IMPLIED TO
EMBOFFS THAT HE EXPECTS BE NAMED REPLACE STOPPER AS
SWISS ADB GOVERNOR.

4. SWISS SHARE US CONCERN OVER IMPACT OF INCREASED OIL
PRICES ON LDCS AND WILL ALSO DISCUSS HIGHER COSTS OF RAW
MATERIALS GENERALLY. JACOBI WELCOMED MARCH 12 WASHINGTON
MEETING OF DEVELOPMENT BANK HEADS AND OTHER EFFORTS TO
HELP LDCS FINANCE HIGHER PERTOLEUM COSTS. HE EXPRESSED
HOPE THAT OIL PRODUCING COUNTRIES WILL BEGIN TO SHARE
DEVELOPMENT ASSISTANCE BURDEN THROUGH CONCESSIONAL LOANS
AS WELL AS MARKET-RELATED LENDING TO LDCS. HE ALSO
THOUGHT THERE SHOULD BE CONTINUED EFFORTS IMPROVE
MULTILATERAL COORDINATION
IN RESPONSES BY BOTH INTER-
NATIONAL FINANCIAL INSTITUTIONS (IFIS) AND BILATERAL
DONORS.

5. JACOBI SAID CONCESSIONAL LENDING BY ADB SPECIAL
FUND NECESSARY, BUT ADB IN FUTURE SHOULD NOT NEGLECT
ORDINARY CAPITAL LENDING TO MORE DEVELOPED LDC MEMBERS.

6. JACOBI NOTED THAT "ADB REORGANIZATION" WAS ONE OF
ISSUES US THOUGHT MIGHT ARISE AT MEETING. SWISS HOPED
THAT WHILE PRESERVING PRINCIPLE OF OPEN BIDDING GREATER
EFFORT COULD BE MADE ACHIEVE MORE EQUITABLE DISTRIBUTION
OF PROCUREMENT FOR ADB PROJECTS SO AS TO REDUCE PRESENT
PREDOMINANT SHARE GOING TO JAPANESE SOURCES. SIMILAR-
LY, HE FELT THAT CARE SHOULD BE TAKEN AVOID EXCESSIVE
NUMBER OF ASIANS IN SENIOR POSITIONS IN ADB MANAGEMENT.
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IN PARTICULAR, JACOBI SAID HE WOULD LIKE SEE SENIOR
FINANCIAL POSITION IN MANILA FILLED BY NATIONAL OF
EUROPEAN OR AMERICAN ADB MEMBER STATE WHEN ADB ZURICH
FINANCIAL ADVISOR OFFICE IS CLOSED. (SWISS NOT ENTIRELY
HAPPY BUT WILL NOT OPPOSE CLOSING ZURICH OFFICE. BERN
702.)

7. ALTHOUGH THEY WILL NOT RAISE SUBJECT, SWISS THINK

QUESTION OF PEOPLE'S REPUBLIC OF CHINA (PRC) MEMBERSHIP
IN ADB COULD BE RAISED BY OTHER PARTICIPANTS. JACOBI
SAID THAT SWITZERLAND WOULD HAVE TO SUPPORT PRC
MEMBERSHIP IF AND WHEN IT SHOULD COME TO VOTE. WE DO
NOT HAVE IMPRESSION THAT SWISS HAVE ANY PARTICULAR
REASON TO BELIEVE THAT PRC QUESTION WILL ARISE AT KUALA
LUMPUR MEETING.

8. SWISS WILL WANT TO DISCUSS WITH US DELEGATION GENERAL
SUBJECT OF PROSPECTS FOR CONGRESSIONAL ACTION ON US
DEVELOPMENT ASSISTANCE PROGRAMS, PARTICULARLY IDA
FOURTH REPLENISHMENT. SWISS DELAYING SUBMITTING LEGIS-
LATION FOR THEIR SHARE IDA IV UNTIL THEY HAVE CLEARER
READING ON US CONGRESSIONAL SITUATION. HE NOTED SWISS
FACING DIFFICULT BUDGETARY PROBLEMS AND WANT TO BE ABLE
MAKE CONVINCING CASE FOR CONTINUED SUPPORT MULTILATERAL
DEVELOPMENT ASSISTANCE. (SEE ALSO BERN 714.)
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, PETROLEUM, FINANCE, DEVELOPMENT BANKS, MEETINGS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BERN01202
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740067-0517
From: BERN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740312/aaaaalbj.tel
Line Count: 133
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 033631; (B) STATE 060348 (, NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2002 by boyleja>; APPROVED <29 JUL 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADB ANNUAL MEETING
TAGS: EFIN, SZ, US, ADB-1
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005